Application Template for
Health Insurance Flexibility and Accountability (HIFA) §1115
Demonstration Proposal

The State of Maine Department of Health and Human Services proposes to amend its section 1115 demonstration entitled MaineCare For Childless Adults to include children age 18 and under who are otherwise eligible for Medicaid under Section 134 of the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA).

I. GENERAL DESCRIPTION OF PROGRAM

1. Childless Adults

The MaineCare For Childless Adults demonstration, began on October 1, 2002 and was expected to provide health insurance coverage to an additional 11,480 residents of the State of Maine in demonstration year 1. Effective with approval of this amendment, the Department of Health and Human Services will eliminate retroactive coverage, and provide the adult services package approved in the Medicaid State Plan with certain additional limitations on in-patient and out-patient hospital services and drugs.

2. TEFRA Section 134 Children

Effective with approval of this amendment to the 1115 demonstration, the Department of Health and Human Services will impose cost sharing requirements on children age 18 and under otherwise eligible for Medicaid under Section 134 of the Tax Equity and Fiscal Responsibility Act of 1982. In addition, the Department will eliminate retroactive coverage and 12 months continuous eligibility, establish a 3 month waiting period before TEFRA children can enroll in MaineCare if families drop private health insurance, and waive TEFRA children's participation in the MaineCare Private Health Insurance Premium benefit (PHIP).

II. DEFINITIONS

Income: In the context of the HIFA demonstration, income limits for coverage expansions are expressed in terms of gross income, excluding sources of income that cannot be counted pursuant to other statutes (such as Agent Orange payments.)

Mandatory Populations: Refers to those eligibility groups that a State must cover in its Medicaid State Plan, as specified in Section 1902(a)(10) and described at 42 CFR Part 435, Subpart B. For example, States currently must cover children under age 6 and pregnant women up to 133 percent of poverty.

Optional Populations: Refers to eligibility groups that can be covered under a Medicaid or SCHIP State Plan, i.e., those that do not require a section 1115 demonstration to receive coverage and who have incomes above the mandatory population poverty levels. Groups are considered optional if they can be included in the State Plan, regardless of whether they are included. The Medicaid optional groups are described at 42 CFR Part 435, Subpart C. Examples include children covered in Medicaid above the mandatory levels, children covered under SCHIP, and parents covered under Medicaid. For purposes of the HIFA demonstrations, Section 1902(r)(2) and Section 1931 expansions constitute optional populations.

Expansion Populations: Refers to any individuals who cannot be covered in an eligibility group under Title XIX or Title XXI and who can only be covered under Medicaid or SCHIP through the section 1115 waiver authority. Examples include childless non-disabled adults under Medicaid.

Private health insurance coverage: This term refers to both group health plan coverage and health insurance coverage as defined in section 2791 of the Public Health Service Act.

III. HIFA DEMONSTRATION STANDARD FEATURES

Please place a check mark beside each feature to acknowledge agreement with the standard features.

_X_ The HIFA demonstration will be subject to Special Terms and Conditions (STCs). The core set of STCs is included in the application package. Depending upon the design of its demonstration, additional STCs may apply.

_X_ Federal financial participation (FFP) will not be claimed for any existing State-funded program. If the State is seeking to expand participation or benefits in a State-funded program, a maintenance of effort requirement will apply. *Certain individuals receive mental health services from the State but no comprehensive benefit exists.

_X_ Any eligibility expansion will be statewide, even if other features of the demonstration are being phased-in.

_X_ HIFA demonstrations will not result in changes to the rate for Federal matching payments for program expenditures. If individuals are enrolled in both Medicaid and SCHIP programs under a HIFA demonstration, the Medicaid match rate will apply to FFP for Medicaid eligibles, and the SCHIP enhanced match rate will apply to SCHIP eligibles.

_X_ Premium collections and other offsets will be used to reduce overall program expenditures before the State claims Federal match. Federal financial payments will not be provided for expenditures financed by collections in the form of pharmacy rebates, third party liability or premium and cost sharing contributions made by or on behalf of program participants.

_X_ The State has utilized a public process to allow beneficiaries and other interested stakeholders to comment on its proposed HIFA demonstration. *This waiver is submitted pursuant to State Legislative mandate. The State notified Indian tribes directly and consulted its Medicaid Advisory Committee.

IV. STATE SPECIFIC ELEMENTS

A. Upper income limit

1. Childless Adults

The upper income limit for the eligibility expansion under the demonstration is 125 percent of the FPL.

2. TEFRA Section 134 Children

For calendar year 2005, the child's monthly income under the demonstration must be under $1737 per month. This amount is three times the federal benefit rate for SSI (or approximately 221% of the FPL) and will go up annually based on increases in the federal benefit rate.

If the upper income limit is above 200 percent of the FPL, the State will demonstrate that focusing resources on populations below 200 percent of the FPL is unnecessary because the State already has high coverage rates in this income range, and covering individuals above 200 percent of the FPL under the demonstration will not induce individuals with private health insurance coverage to drop their current coverage. (Please include a detailed description of your approach as Attachment A to the proposal.)

B. Eligibility

Please indicate with check marks which populations you are proposing to include in your HIFA demonstration.

Mandatory Populations (as specified in Title XIX.)

_____ Section 1931 Families

_____ Blind and Disabled

_____ Aged

_____ Poverty-related Children and Pregnant Women

Optional Populations (included in the existing Medicaid State Plan)

Categorical

_____ Children and pregnant women covered in Medicaid above the mandatory level

_____ Parents covered under Medicaid

_____ Children covered under SCHIP

_____ Parents covered under SCHIP

X Other (please specify) Children otherwise eligible for Medicaid under Section 134 of the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA)

Medically Needy

_____ TANF Related

_____ Blind and Disabled

_____ Aged

_____ *Title XXI children (Separate SCHIP Program)*

_____ *Title XXI parents (Separate SCHIP Program)*

Additional Optional Populations (not included in the existing Medicaid or SCHIP State Plan.) If the demonstration includes optional populations not previously included in the State Plan, the optional eligibility expansion must be statewide in order for the State to include the cost of the expansion in determining the annual budget limit for the demonstration.)

Populations that can be covered under a Medicaid or SCHIP State Plan

_____ Children above the income level specified in the State Plan
This category will include children from _____percent of the FPL through _____percent of the FPL.

_____ Pregnant women above the income level specified in the State Plan

This category will include individuals from _____percent of the FPL through _____percent of the FPL.

_____ Parents above the current level specified in the State Plan
This category will include individuals from _____percent of the FPL through _____percent of the FPL.

Existing Expansion Populations

Populations that are not defined as an eligibility group under Title XIX or Title XXI, but are already receiving coverage in the State by virtue of an existing section 1115 demonstration.

_____ Childless Adults (This category will include individuals from ____percent of the FPL through __percent of the FPL.)

_____ Pregnant Women in SCHIP (This category will include individuals from _____percent of the FPL through _____percent of the FPL.)

_____ Other. Please specify: _____
_____
_____
(If additional space is needed, please include a detailed discussion as Attachment B to your proposal and specify the upper income limits.)

New Expansion Populations

Populations that are not defined as an eligibility group under Title XIX or Title XXI, and will be covered only as a result of the new HIFA demonstration.

_X_ Childless Adults (This category will include individuals from __0__ percent of the FPL through _125_ percent of the FPL.)

_____ Pregnant Women in SCHIP (This category will include individuals from _____ percent of the FPL through _____ percent of the FPL.)

_____ Other. Please specify: _____

_____

_____

(If additional space is needed, please include a detailed discussion as Attachment B to your proposal and specify the upper income limits.)

C. Enrollment/Expenditure Cap

1. Childless Adults

_____ No

__X__ Yes

(If Yes) Number of participants or dollar limit

The dollar limit is equal to the amount of future State Legislative appropriations. If expenditures are expected to fall below the program budget, the Commissioner of the Department of Health and Human Services shall raise the level to provide coverage to as many qualifying individuals with income below 125% as possible. If the maximum eligibility level is raised above 100% of the poverty level and subsequently the Commissioner anticipates the program cost to exceed the budget, the Commissioner may lower the eligibility level.

2. TEFRA Section 134 Children

There will be no cap on the number of children served. Children will be enrolled only if costs are expected to be no more than comparable institutional care.

D. Phase-in

Please indicate below whether the demonstration will be implemented at once or phased in.

1. Childless Adults

_____ The HIFA demonstration will be implemented at once.

__X__ The HIFA demonstration will be phased-in.

If applicable, please provide a brief description of the State's phase-in approach (including a time line:)

The program will initially cover childless adults with income up to 100% of the FPL. Periodically, assessments will be done to determine if it is feasible to expand coverage to individuals with income up to 125% of FPL within the program budget.

2. TEFRA Section 134 Children

The population to be served via this amendment to the demonstration is currently receiving services under Section 134 of the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA). Effective with approval of this amendment, TEFRA Section 134 children will be transferred to the demonstration.

E. Benefit Package

Please use check marks to indicate which benefit packages you are proposing to provide to the various populations included in your HIFA demonstration.

1. Mandatory Populations

_____ The benefit package specified in the Medicaid State Plan as of the date of the HIFA application.

2. Optional populations included in the existing Medicaid State Plan

X The same coverage provided under the State's approved Medicaid State plan.
_____ The benefit package for the health insurance plan this is offered by an HMO and has the largest commercial, non-Medicaid enrollment in the State
_____ The standard Blue Cross/Blue Shield preferred provider option service benefit plan that is described in, and offered to Federal employees under 5 U.S.C. 8903(1). (Federal Employees Health Benefit Plan (FEHBP))
_____ A health benefits coverage plan that is offered and generally available to State employees
_____ A benefit package that is actuarially equivalent to one of those listed above
_____ Secretary approved coverage. (The proposed benefit package is described in Attachment D.)

Note: For Secretary approved coverage, benefit packages must include these basic services: inpatient and outpatient hospital services, physicians surgical and medical services, laboratory and x-ray services, well-baby and well-child care, including age appropriate immunizations. `

3. SCHIP populations, if they are to be included in the HIFA demonstration

States with approved SCHIP plans may provide the benefit package specified in Medicaid State plan, or may choose another option specified in Title XXI. (If the State is proposing to change its existing SCHIP State Plan as part of implementing a HIFA demonstration, a corresponding plan amendment must be submitted.) SCHIP coverage will consist of:

_____ The same coverage provided under the State's approved Medicaid State plan.
_____ The benefit package for the health insurance plan this is offered by an HMO and has the largest commercial, non-Medicaid enrollment in the State

_____ The standard Blue Cross/Blue Shield preferred provider option service benefit plan that is described in, and offered to Federal employees under 5 U.S.C. 8903(1). (Federal Employees Health Benefit Plan (FEHBP))
_____ A health benefits coverage plan that is offered and generally available to State employees
_____ A benefit package that is actuarially equivalent to one of those listed above
_____ Secretary approved coverage.

Note: For Secretary approved coverage, benefit packages must include these basic services: inpatient and outpatient hospital services, physicians surgical and medical services, laboratory and x-ray services, well-baby and well-child care, including age appropriate immunizations.

2. New optional populations to be covered as a result of the HIFA demonstration

_____ The same coverage provided under the State's approved Medicaid State plan. *See Attachment C.
_____ The benefit package for the health insurance plan this is offered by an HMO and has the largest commercial, non-Medicaid enrollment in the State
_____ The standard Blue Cross/Blue Shield preferred provider option service benefit plan that is described in, and offered to Federal employees under 5 U.S.C. 8903(1). (Federal Employees Health Benefit Plan (FEHBP))
_____ A health benefits coverage plan that is offered and generally available to State employees
_____ A benefit package that is actuarially equivalent to one of those listed above
_____ Secretary approved coverage. (The proposed benefit package is described in Attachment D.)

Note: For Secretary approved coverage, benefit packages must include these basic services: inpatient and outpatient hospital services, physicians surgical and medical services, laboratory and x-ray services, well-baby and well-child care, including age appropriate immunizations.

5. Expansion Populations – States have flexibility in designing the benefit package, however, the benefit package must be comprehensive enough to be consistent with the goal of increasing the number of insured persons in the State. The benefit package for this population must include a basic primary care package, which means health care services customarily furnished by or through a general practitioner, family physician, internal medicine physician, obstetrician/gynecologist, or pediatrician. With this definition states have flexibility to tailor the individual definition to adapt to the demonstration intervention and may establish limits on the types of providers and the types of services. Please check the services to be included.

_____ Inpatient

_____ Outpatient

_____ Physician's Surgical and Medical Services

_____ Laboratory and X-ray Services

_____ Pharmacy

__X__ Other (please specify) Medicaid benefits for adults as approved in the State Plan with the following additional limitations:

- inpatient hospital admissions are limited to 2 per year, except that more admissions may be approved through prior authorization. There is no limit on inpatient hospital benefits for laboratory services, x-ray services, prenatal care and mental health diagnosis;
- outpatient visits to a hospital are limited to 5 per year, except that more visits may be approved through prior authorization. There is no limit for visits for laboratory services, x-ray services, prenatal care and mental health diagnosis;
- brand-name prescription medications are limited to 5 medications dispensed during the same time period, except that additional brand-name medications may be approved through prior authorization.

Please include a detailed description of any Secretary approved coverage or flexible expansion benefit package as Attachment C to your proposal. Please include a discussion of whether different benefit packages will be available to different expansion populations.

F. Coverage Vehicle

Please check the coverage vehicle(s) for all applicable eligibility categories in the chart below (check multiple boxes if more than one coverage vehicle will be used within a category):

Eligibility Category	Fee-For-Service	Medicaid or SCHIP Managed Care	Private health insurance coverage	Group health plan coverage	Other (specify)
Mandatory					
Optional – Existing	X	X			
Optional – Expansion					
Title XXI – Medicaid Expansion					
Title XXI – Separate SCHIP					
Existing section 1115 expansion					
New HIFA Expansion	X	X	X		

Please include a detailed description of any private health insurance coverage options as Attachment D to your proposal.

G. Private health insurance coverage options

Coordination with private health insurance coverage is an important feature of a HIFA demonstration. One way to achieve this goal is by providing premium assistance or "buying

into" employer-sponsored insurance policies. Description of additional activities may be provided in Attachment D to the State's application for a HIFA demonstration. If the State is employing premium assistance, please use the section below to provide details.

XAs part of the demonstration the State will be providing premium assistance for private health insurance coverage under the demonstration. Provide the information below for the relevant demonstration population(s): Only Childless Adults can participate in the MaineCare Private Health Insurance Premium benefit.

The State elects to provide the following coverage in its premium assistance program: (Check all applicable, and describe benefits and wraparound arrangements, if applicable, in Attachment D to the proposal if necessary. If the State is offering different arrangements to different populations, please explain in Attachment D.)

X The same coverage provided under the State's approved Medicaid plan.

____ The same coverage provided under the State's approved SCHIP plan.

____ The benefit package for the health insurance plan that is offered by an HMO, and has the largest commercial, non-Medicaid enrollment in the State.

____ The standard Blue Cross/Blue Shield preferred provider option service benefit plan that is described in, and offered to Federal employees under 5 U.S.C. 8903(1). (Federal Employees Health Benefit Plan (FEHBP))

____ A health benefits coverage plan that is offered and generally available to State employees.

____ A benefit package that is actuarially equivalent to one of those listed above (please specify).

____ Secretary-Approved coverage.

___ Other coverage defined by the State. (A copy of the benefits description must be included in Attachment D.)

__X__ The State assures that it will monitor aggregate costs for enrollees in the premium assistance program for private health insurance coverage to ensure that costs are not significantly higher than costs would be for coverage in the direct coverage program. (A description of the Monitoring Plan will be included in Attachment D.)

__X__ The State assures that it will monitor changes in employer contribution levels or the degree of substitution of coverage and be prepared to make modifications in its premium assistance program. (Description will be included as part of the Monitoring Plan.)

H. Cost Sharing

Please check the cost sharing rules for all applicable eligibility categories in the chart below:

Eligibility Category	Nominal Amounts Per Regulation	Up to 5 Percent of Family Income	State Defined
Mandatory			
Optional – Existing (Children)		X	
Optional – Existing (Adults)			
Optional – Expansion (Children)			
Optional _ Expansion (Adults)			
Title XXI – Medicaid Expansion			
Title XXI – Separate SCHIP			

Eligibility Category	Nominal Amounts Per Regulation	Up to 5 Percent of Family Income	State Defined
Existing section 1115 Expansion			
New HIFA Expansion		X	

Cost-sharing for children
Only those cost-sharing amounts that can be attributed directly to the child (i.e. co-payments for the child's physician visits or prescription drugs) must be counted against the cap of up to five percent of family income. Cost-sharing amounts that are assessed to a family group that includes adults, such as family premiums, do not need to be counted as 'child cost-sharing' for the purposes of the up to five percent cost-sharing limit. A premium covering only the children in a family must be counted against the cap.

Below, please provide a brief description of the methodology that will be used to monitor child-only cost-sharing expenses when the child is covered as part of the entire family and how those expenses will be limited to up to five percent of the family's income.

Any State defined cost sharing must be described in Attachment E. In addition, if cost sharing limits will differ for participants in a premium assistance program or other private health insurance coverage option, the limits must be specified in detail in Attachment E to your proposal.

V. Accountability and Monitoring

Please provide information on the following areas:

1. Insurance Coverage

The rate of uninsurance in your State See Attachment F for individuals below 200 percent of poverty and any other groups that will be covered under the demonstration project.

The rate of uninsurance for individuals below 200% of poverty is 24.37%.

The coverage rates in your State for the insurance categories for individuals below 200 percent of poverty and any other groups that will be covered under the demonstration project:

Private Health Insurance Coverage Under a Group Health Plan
30.3%

Other Private Health Insurance Coverage 3.2%

Medicaid (please separately identify enrollment in any section 1906 or section 1115 premium assistance)
50%

SCHIP (please separately identify any premium assistance)
3%

Medicare 18.2%

Other Insurance 1.5%

Indicate the data source used to collect the insurance information presented above (the State may use different data sources for different categories of coverage, as appropriate):

X The Current Population Survey for rate of uninsurance

____ Other National Survey (please specify_____)

____ State Survey (please specify_____)

X Administrative records (please specify_____)

____ Other (please specify_____)

Adjustments were made to the Current Population Survey or another national survey.

X Yes _____ No

If yes, a description of the adjustments must be included in Attachment F.

A State survey was used.

____ Yes X No

If yes, provide further details regarding the sample size of the survey and other important design features in Attachment F.

If a State survey is used, it must continue to be administered through the life of the demonstration so that the State will be able to evaluate the impact of the demonstration on coverage using comparable data.

2. State Coverage Goals and State Progress Reports

The goal of the HIFA demonstration is to reduce the uninsured rate. For example, if a State was providing Medicaid coverage to families, a coverage goal could be that the State expects the uninsured rate for families to decrease by 5 percent. Please specify the State's goal for reducing the uninsured rate:

Maine plans to reduce the uninsurance rate by 3%.

Attachment F must include the State's Plan to track changes in the uninsured rate and trends in sources of insurance as listed above. States should monitor whether there are unintended consequences of the demonstration such as high levels of substitution of private coverage and major decreases in employer contribution levels. (See the attached Special Terms and Conditions.)

_X_ Annual progress reports will be submitted to CMS six months after the end of each demonstration year which provide the information described in this plan for monitoring the uninsured rate and trends in sources of insurance coverage.

States are encouraged to develop performance measures related to issues such as access to care, quality of services provided, preventative care, and enrollee satisfaction. The performance plan must be provided in Attachment F.

VI. PROGRAM COSTS

This Section will be updated when we submit budget worksheet.

A requirement of HIFA demonstrations is that they not result in an increase in federal costs compared to costs in the absence of the demonstration. Please submit expenditure data as Attachment G to your proposal. For your convenience, a sample worksheet for submission of base year data is included as part of the application packet.

The base year will be trended forward according to one of the growth rates specified below. Please designate the preferred option:

___ Medical Care Consumer Price Index, published by the Bureau of Labor Statistics. (Available at http://stats.bls.gov.) The Medical Care Consumer Price Index will only be offered to States proposing statewide demonstrations under the HIFA initiative. If the State chooses this option, it will not need to submit detailed historical data.

__X__ Medicaid-specific growth rate. States choosing this option should submit five

years of historical data for the eligibility groups included in the demonstration proposal for assessment by CMS staff, with quantified explanations of trend anomalies. A sample worksheet for submission of this information is included with this application package. The policy for trend rates in HIFA demonstrations is that trend rates are the lower of State specific history or the President's Budget Medicaid baseline for the eligibility groups covered by a State's proposal. This option will lengthen the review time for a State's HIFA proposal because of the data generation and assessment required to establish a State specific trend factor.

The State estimates the cost of this program will be $554,042,894 over its *5* year approval period.

VII. WAIVERS AND EXPENDITURE AUTHORITY REQUESTED

A. Waivers

The following waivers are requested pursuant to the authority of section 1115(a)(1) of the Social Security Act (Please check all applicable):

Title XIX:

____ **Statewideness 1902(a)(1)**

To enable the State to phase in the operation of the demonstration.

____ **Amount, Duration, and Scope 1902(a)(10)(B)**

To permit the provision of different benefit packages to different populations in the demonstration. Benefits (i.e., amount, duration and scope) may vary by individual based on eligibility category.

____ **Freedom of Choice 1902(a)(23)**

To enable the State to restrict the choice of provider.

Title XXI:

____ **Benefit Package Requirements 2103**

To permit the State to offer a benefit package that does not meet the requirements of section 2103.

X **Comparability of Standards 1902(a)(17)**

To waive 12 months of continuous eligibility. Applies to TEFRA Section 134 children only

To impose a 3 month waiting period for families who drop private health coverage for TEFRA children.

X **Retroactive Coverage 1902(a)(34)**

To waive retroactive coverage for childless adults and TEFRA Section 134 children.

X **Cost Sharing Requirements 2103(e)**

To permit the State to impose cost sharing in excess of statutory limits.

Applies to TEFRA Section 134 children only.

X Enrollment of Individuals Under Group Health Plans 1906

To waive participation of TEFRA children in the MaineCare Private Health Insurance Premium benefit.

B. Expenditure Authority

Expenditure authority is requested under Section 1115(a)(2) of the Social Security Act to allow the following expenditures (which are not otherwise included as expenditures under Section 1903 or Section 2105) to be regarded as expenditures under the State's Title XIX or Title XXI plan.

Note: Checking the appropriate box(es) will allow the State to claim Federal Financial Participation for expenditures that otherwise would not be eligible for Federal match.

__X__ Expenditures to provide services to populations not otherwise eligible to be covered under the Medicaid State Plan.

Expenditures related to providing _____ months of guaranteed eligibility to demonstration participants.

X Expenditures related to coverage of individuals for whom cost-sharing rules not otherwise allowable in the Medicaid program apply.

Title XXI:

____ Expenditures to provide services to populations not otherwise eligible under a State child health plan.

____ Expenditures related to providing _____ months of guaranteed eligibility to demonstration participants.

____ Expenditures that would not be payable because of the operation of the limitations at 2105(c)(2) because they are not for targeted low-income children.

If additional waivers or expenditure authority are desired, please include a detailed request and justification as Attachment H to the proposal.

VIII. ATTACHMENTS

Place check marks beside the attachments you are including with your application.

__X__ Attachment A: Discussion of how the State will ensure that covering individuals above 200 percent of poverty under the waiver will not induce individuals with private health insurance coverage to drop their current coverage.

__X__ Attachment B: Detailed description of expansion populations included in the demonstration.

__X__ Attachment C: Benefit package description.

__X__ Attachment D: Detailed description of private health insurance coverage options, including premium assistance if applicable.

__X__ Attachment E: Detailed discussion of cost sharing limits.

__X__ Attachment F: Additional detail regarding measuring progress toward reducing the rate of uninsurance.

__X__ Attachment G: Budget worksheets.

__NA__ Attachment H: Additional waivers or expenditure authority request and justification.

IX. SIGNATURE

_____ John R. Nicholas, Commissioner

Date Name of Authorizing State Official (Typed)

_____

Signature of Authorizing State Official

Attachment A

Coverage for individuals over 200% of the Federal Poverty Level

Focusing resources on children below 200% of the Federal Poverty Level is unnecessary because MaineCare already provides coverage to children in households with income at or below 200%. See guidelines below.

	% of FPL Medicaid	% of FPL SCHIP
Infants	185% or less	186% - 200%
Children 1- 5	133%	134% - 200%
Children 6-18	125%	126% - 200%

Attachment B

Description of Expansion Population

1. Childless Adults

The report prepared for the 119th Maine Legislature regarding increasing access to health care for low-income childless adults was provided with the initial waiver submission.

2. TEFRA Section 134 Children

The population to be served via this amendment to the demonstration is currently receiving services under Section 134 of the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA). Effective with approval of this amendment, TEFRA Section 134 children will be transferred to the demonstration.

Attachment C

Benefit Package Description

The State of Maine will provide different benefit packages to the childless adults and the TEFRA Section 134 children. Both populations will no longer have retroactive eligibility.

Childless Adults

Adult package as approved in the Medicaid State Plan with the following exceptions.

- Inpatient hospital admissions are limited to 2 per year, except that more admissions may be approved through prior authorization. There is no limit on inpatient hospital benefits for laboratory services, x-ray services, prenatal care and mental health diagnosis.
- Outpatient visits to a hospital are limited to 5 per year, except that more visits may be approved through prior authorization. There is no limit for visits for laboratory services, x-ray services, prenatal care and mental health diagnosis.
- Brand-name prescription medications are limited to 5 medications dispensed during the same time period, except that additional brand-name medications may be approved through prior authorization.

TEFRA Section 134 Children

Attachment 3.1-A to the Medicaid State Plan provided with the initial waiver submission , as amended by approved State Plan amendments, is the benefit package for the TEFRA Section 134 children.

Attachment D

Private Health Insurance Coverage Options

1. The MaineCare Private Health Insurance Premium benefit (PHIP) pays insurance premiums for MaineCare members who meet certain criteria based upon guidelines established by the Centers for Medicare and Medicaid Services (CMC). The Bureau of Medical Services Third Party Liability Unit determines if it is cost effective for MaineCare to pay a member's premium for private health insurance.

2. Members are told to contact the Third Party Liability unit if there are any changes in their private insurance plan or if their employer offers any new plans. MaineCare continues to pay for premiums only as long as it is considered cost effective to do so.

3. The methodology for determining cost effectiveness initially and at review is described in the operational protocol submitted with initial waiver submission.

4. The PHIP benefit will be available only to Childless Adults.

Attachment E

Cost Sharing

1. Childless Adults

Nominal MaineCare copayments are required. These are the same copayments paid by the non-expansion MaineCare population. A copayment booklet provided to MaineCare families was included with the initial waiver submission.

2. TEFRA Section 134 Children

There will be a monthly premium. The monthly premium will be different for those with and without private health insurance. Premiums will be determined based on the family's gross monthly income.Eligibility will be determined based on the child's income.

Premium Schedule

% FPL	Monthly Premium With Private Insurance	Monthly Premium Without Private Insurance
150 - 200	$ 21	$ 30
201 - 250	$ 28	$ 40
251 - 300	$ 35	$ 50
301 - 350	$ 42	$ 60
351 - 400	$ 49	$ 70
401 - 450	$ 60	$ 85
451 - 500	$ 70	$100
501 - 550	$ 81	$115
551 - 600	$ 91	$130
601 - 700	$102	$145
701 - 800	$123	$175
801 - 900	$144	$205
901 - 1000	$168	$240
1001-1200	$193	$275
1201-1400	$235	$335
1401-1600	$277	$395
1601-1800	$319	$455
1801-2000	$364	$520
2001-2500	$413	$590
2501+	$525	$750

TEFRA Section 134 children transferring to the demonstration will be charged a premium effective with approval of this amendment. New demonstration members will be charged a premium beginning with the month coverage is approved.

The Department will send the family a payment coupon each month a premium is owed. Members must return the coupon along with their payment to the Department of Health and Human Services.

Families that have more than one child enrolled in the demonstration will pay only one premium for all children.

Attachment F

1. Current population survey adjustment methodology

   To calculate the uninsurance rate for persons under 200 percent of poverty in Maine based on the Current Population Survey, data across three years, 1998, 1999, and 2000, were averaged, to reduce the margin of error. These estimates are for the total Maine population, including persons over age 65.

2. Effect on uninsurance rate

   The Current Population Survey person-level weights were used to estimate population rates. As a result of Maine's relatively small population, estimates for specific types of payor coverage have a wider margin of error than would otherwise be expected. To counter this, the current actual number of people on MaineCare (formerly Medicaid and SCHIP) in Maine were substituted for the CPS estimates. This skews percentage coverage rates but provides a more accurate depiction of MaineCare's role in the State. Maine collects information on every enrollee regarding access to private insurance. This information will be analyzed for the waiver population.

3. Quality plan

   A. Childless Adults

   The vast majority of childless adults will be enrolled in MaineCare's managed care plan. This is a primary care case management plan. The draft quality monitoring plan for managed care was provided with the initial waiver submission.

   B. TEFRA Section 134 Children

   We are developing care coordination protocols for members who have high service utilization to ensure that appropriate services are provided in the most cost efficient manner possible. The strategy includes:

   - Dedicated resources for care coordination.
     - Ensure service delivery in most medically and fiscally appropriate manner
     - Pursue primary and secondary prevention efforts
     - Reduce the number of hospital readmissions
     - Create a liaison and voice for member in receiving quality care

   - In-depth analysis of service use
     - Review for duplication of services
     - Identify co-morbid conditions and risk factors

Attachment G

Budget Worksheets

Cost Neutrality Summary for revised waiver
"TOTAL COMPUTABLE"

	FFY 2003 (DY 01)	FFY 2004 (DY 02)	FFY 2005 (DY 03)	FFY 2006 (DY 04)	FFY 2007 (DY 05)
for CHILDLESS ADULT WAIVER					
Acute Care DSH Limit (Actual 03,04,05,06/ Est.07)	$86,264,271	$100,384,899	$102,117,540	$105,348,286	$105,348,286
Childless Adult Waiver Projected Expenditures	$53,040,254	$81,078,205	$85,897,351	$87,464,438	$87,861,205
Over/ Under CAP (+/ -)	**-$33,224,017**	**-$19,306,694**	**-$16,220,189**	**-$17,883,848**	**-$17,487,081**
for KATIE BECKETT CHILDREN					
Proposed Spending CAP (WOW Expenditures)		$35,460,305	$39,662,282	$43,864,259	$48,066,236
Katie Beckett Children Projected Expenditures		$34,928,401	$38,482,102	$40,672,400	$44,618,538
Over/ Under CAP (+/ -)		**-$531,904**	**-$1,180,180**	**-$3,191,859**	**-$3,447,698**

Cost Neutrality Summary for revised waiver
FEDERAL SHARE

	FFY 2003 (DY 01)	FFY 2004 (DY 02)	FFY 2005 (DY 03)	FFY 2006 (DY 04)	FFY 2007 (DY 05)
for CHILDLESS ADULT WAIVER					
Acute Care DSH Limit (Actual 03,04,05,06/ Est.07)	$57,124,200	$66,264,072	$66,264,072	$66,264,072	$66,264,072
Childless Adult Waiver Projected Expenditures	$36,001,072	$55,441,277	$55,738,791	$55,015,132	$55,264,698
Over/ Under CAP (+/ -)	**-$21,123,128**	**-$10,822,795**	**-$10,525,281**	**-$11,248,940**	**-$10,999,374**
for KATIE BECKETT CHILDREN					
Proposed Spending CAP (WOW Expenditures)		$24,247,757	$25,736,855	$27,590,619	$30,233,662
Katie Beckett Children Projected Expenditures		$23,554,095	$23,985,982	$25,744,738	$28,239,162
Over/ Under CAP (+/ -)		**-$693,662**	**-$1,750,873**	**-$1,845,881**	**-$1,994,501**

States would enter information in the shaded cells. The rest of the sheet will be calculated.

HISTORIC DATA: BASE YEAR (BY) AND 4 PRIOR YEARS FOR EXISTING OPTIONAL POPULATIONS

SPECIFY TIME PERIOD AND ELIGIBILITY GROUP SERVED:

	SFY 1999	SFY 2000	SFY 2001	SFY 2002	SFY 2003	5-YEARS
TOTAL EXPENDITURES						
Katie Beckett Children	$13,487,164	$17,340,187	$23,979,308	$28,034,010	$31,029,486	$113,870,155
ELIGIBLE MEMBER MONTHS	11,044	13,788	16,295	18,260	19,057	78,444
COST PER ELIGIBLE	$1,221	$1,258	$1,472	$1,535	$1,628	$1,452
TREND RATES	-	2.98%	17.01%	4.33%	6.06%	
			ANNUAL CHANGE			AVERAGE
TOTAL EXPENDITURE		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
ELIGIBLE MEMBER MONTHS		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
COST PER ELIGIBLE		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
TOTAL EXPENDITURES						
Pop. 2	$-	$-	$-	$-	$-	$-
ELIGIBLE MEMBER MONTHS	-	-	-	-	-	
COST PER ELIGIBLE	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
TREND RATES						5-YEAR
			ANNUAL CHANGE			AVERAGE
TOTAL EXPENDITURE		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
ELIGIBLE MEMBER MONTHS		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
COST PER ELIGIBLE		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
TOTAL EXPENDITURES						
Pop. 3	$-	$-	$-	$-	$-	$-
ELIGIBLE MEMBER MONTHS	-	-	-	-	-	
COST PER ELIGIBLE	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
TREND RATES						5-YEAR
			ANNUAL CHANGE			AVERAGE
TOTAL EXPENDITURE		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
ELIGIBLE MEMBER MONTHS		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
COST PER ELIGIBLE		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

DEMONSTRATION WITH WAIVER (W/W) BUDGET PROJECTION

MANDATORY POPULATIONS

ELIGIBILITY GROUP	TREND RATE	MONTHS OF AGING	DEMONSTRATION YEARS (DY) DY 01	DY 02	DY 03	DY 04	DY 05	TOTAL WW
Pop. 1								
Eligible Member Months	#DIV/0!	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
Total Cost per Eligible	#DIV/0!	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
Total Expenditure			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Pop. 2								
Eligible Member Months	#DIV/0!	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
Total Cost per Eligible	#DIV/0!	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
Total Expenditure			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Pop. 3								
Eligible Member Months	#DIV/0!	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
Total Cost per Eligible	#DIV/0!	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
Total Expenditure			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

EXISTING OPTIONAL POPULATIONS

ELIGIBILITY GROUP	TREND RATE	MONTHS OF AGING	PERCENT REDUCED	DEMONSTRATION YEARS (DY) FFY 03	FFY 04	FFY 05	FFY 06	FFY 07	TOTAL WW
Katie Beckett Children									
Eligible Member Months	*	3			21,191	23,093	24,996	26,898	96,178
Total Cost per Eligible					$1,648	$1,666	$1,627	$1,659	$1,650
Total Expenditure	*	3			$34,928,401	$38,482,102	$40,672,400	$44,618,538	$158,701,441
Pop. 2									
Eligible Member Months	#DIV/0!	0		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
Total Cost per Eligible	#DIV/0!	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
Total Expenditure				#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Pop. 3									
Eligible Member Months	#DIV/0!	0		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
Total Cost per Eligible	#DIV/0!	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
Total Expenditure				#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

NEW OPTIONAL POPULATIONS

ELIGIBILITY GROUP	ANTICIPATED FIGURES	TREND RATE	DEMONSTRATION YEARS (DY) DY 01	DY 02	DY 03	DY 04	DY 05	TOTAL WW
0								
Eligible Member Months				-	-	-	-	
Total Cost Per Eligible				-	-	-	-	
Total Expenditure	0		-	-	-	-	-	-
0								
Eligible Member Months				-	-	-	-	
Total Cost Per Eligible				-	-	-	-	
Total Expenditure	0		-	-	-	-	-	-

EXPANSION POPULATIONS

ELIGIBILITY GROUP	ANTICIPATED FIGURES	TREND RATE	MONTHS OFAGING	DEMONSTRATION YEARS (DY) FFY 03	FFY 04	FFY 05	FFY 06	FFY 07	TOTAL WW
Childless Adult Waiver									
Eligible Member Months		*	3	119,884	194,614	242,372	254,323	256,911	1,068,104
Total Cost per Eligible				$442.43	$416.61	$354.40	$343.91	$341.99	$370.13
Total Expenditure	0	*	3	$53,040,254	$81,078,205	$85,897,351	$87,464,438	$87,861,205	$395,341,452
Pop. 2									
Eligible Member Months				-	-	-	-		
Total Cost per Eligible			0	-	-	-	-		
Total Expenditure	0			-	-	-	-	-	-

*A state-specific trend rate was used for each year for each component.

DEMONSTRATION WITHOUT WAIVER (WOW) BUDGET PROJECTION

MANDATORY POPULATIONS ELIGIBILITY GROUP	TREND RATE	MONTHS OF AGING	DEMONSTRATION YEARS (DY) DY 01	DY 02	DY 03	DY 04	DY 05	TOTAL WOW
Pop. 1								
Eligible Member Months	#DIV/0!	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
Total Cost Per Eligible	#DIV/0!	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
Total Expenditure			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Pop. 2								
Eligible Member Months	#DIV/0!	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
Total Cost Per Eligible	#DIV/0!	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
Total Expenditure			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Pop. 3								
Eligible Member Months	#DIV/0!	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
Total Cost Per Eligible	#DIV/0!	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
Total Expenditure			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

NEW OPTIONAL POPULATIONS ELIGIBILITY GROUP	TREND RATE	DEMONSTRATION YEARS (DY) DY 01	DY 02	DY 03	DY 04	DY 05	TOTAL WOW
Eligible Member Months	0.00%	-	-	-	-	-	
Total Cost Per Eligible	0.00%	$-	-	-	-	-	
Total Expenditure		$-	-	-	-	-	$-
Eligible Member Months	0.00%	-	-	-	-	-	
Total Cost Per Eligible	0.00%	$-	$-	$-	$-	$-	
Total Expenditure		$-	$-	$-	$-	$-	$-

EXISTING OPTIONAL POPULATIONS ELIGIBILITY GROUP	TREND RATE		MONTHS OF AGING	DEMONSTRATION YEARS (DY) FFY 2003	FFY 2004	FFY 2005	FFY 2006	FFY 2007	TOTAL WOW
Katie Beckett Children									
Eligible Member Months		*	0		21,191	23,093	24,996	26,898	96,178
Total Cost Per Eligible			0		$1,673	$1,718	$1,755	$1,787	$1,737
Total Expenditure		*			$35,460,305	$39,662,282	$43,864,259	$48,066,236	$167,053,083
Pop. 2									
Eligible Member Months	#DIV/0!		0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
Total Cost Per Eligible	#DIV/0!		0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
Total Expenditure				#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Pop. 3									
Eligible Member Months	#DIV/0!		0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
Total Cost Per Eligible	#DIV/0!		0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
Total Expenditure				#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

*A state-specific trend rate was developed for each year for each component